



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

**HB4341**

Introduced 1/16/2024, by Rep. Curtis J. Tarver, II

#### SYNOPSIS AS INTRODUCED:

15 ILCS 505/16.11 new  
35 ILCS 5/252 new  
30 ILCS 105/5.1012 new

Amends the State Treasurer Act. Provides that the State Treasurer shall establish and administer the Invest in Illinois Higher Education Program for the purposes of expanding access to higher education through scholarships awarded from the Invest in Illinois Higher Education Fund. Amends the State Finance Act. Creates the Invest in Illinois Higher Education Fund. Amends the Illinois Income Tax Act. Creates an income tax credit in an amount equal to any donations made by the taxpayer to the Invest in Illinois Higher Education Fund. Effective immediately.

LRB103 36333 MXP 66431 b

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The State Treasurer Act is amended by adding  
5 Section 16.11 as follows:

6 (15 ILCS 505/16.11 new)

7 Sec. 16.11. Invest in Illinois Higher Education Program.

8 (a) The State Treasurer shall establish the Invest in  
9 Illinois Higher Education Program. The State Treasurer shall  
10 administer the Program for the purpose of expanding access to  
11 higher education through scholarships awarded from the Invest  
12 in Illinois Higher Education Fund.

13 (b) The Invest in Illinois Higher Education Fund is hereby  
14 established as a special fund in the State treasury. The Fund  
15 may receive donations as provided in Section 252 of the  
16 Illinois Income Tax Act, as well as gifts, grants, and  
17 appropriations from any lawful source. The State Treasurer  
18 shall use moneys in the Invest in Illinois Higher Education  
19 Fund for the purpose of awarding scholarships to eligible  
20 students.

21 (c) As used in this Section:

22 "Eligible student" means an individual who is a member of  
23 a household with a federal adjusted gross income that, in the

1 year before the student first receives a scholarship through  
2 the program established under this Section, is less than or  
3 equal to 300% of the federal poverty income guidelines and  
4 that, in any subsequent year in which the student receives a  
5 scholarship through the program, is less than or equal to 400%  
6 of the federal poverty level.

7 "Federal poverty guidelines" means the poverty guidelines  
8 updated periodically in the federal register by the U.S.  
9 Department of Health and Human Services under the authority of  
10 42 U.S.C. 9902(2).

11 "Necessary costs and fees" includes tuition and the  
12 additional fixed fees charged for specified purposes that are  
13 required generally of non-scholarship recipients for each  
14 academic period for which the scholarship applicant actually  
15 enrolls, but does not include fees payable only once and other  
16 contingent deposits that are refundable in whole or in part.  
17 The State Treasurer may prescribe, by rules consistent with  
18 this Act, detailed provisions concerning the computation of  
19 necessary costs and fees.

20 "Scholarship" means an educational scholarship awarded to  
21 an eligible student to attend a community college or public  
22 university in the State in an amount not exceeding the  
23 necessary costs and fees to attend that school.

24 Section 10. The Illinois Income Tax Act is amended by  
25 adding Section 252 as follows:

1 (35 ILCS 5/252 new)

2 Sec. 252. Invest in Illinois Higher Education credit.

3 (a) For taxable years ending on or after December 31,  
4 2024, each taxpayer who makes a donation to the Invest in  
5 Illinois Higher Education Fund during the taxable year is  
6 entitled to a credit against the tax imposed by subsections  
7 (a) and (b) of Section 201 in an amount equal to that donation.

8 (b) For partners, shareholders of subchapter S  
9 corporations, and owners of limited liability companies, if  
10 the liability company is treated as a partnership for purposes  
11 of federal and State income taxation, the credit under this  
12 Section shall be determined in accordance with the  
13 determination of income and distributive share of income under  
14 Sections 702 and 704 and subchapter S of the Internal Revenue  
15 Code.

16 (c) The credit may not be carried back and may not reduce  
17 the taxpayer's liability to less than zero. If the amount of  
18 the credit exceeds the tax liability for the year, the excess  
19 may be carried forward and applied to the tax liability of the  
20 5 taxable years following the excess credit year. The tax  
21 credit shall be applied to the earliest year for which there is  
22 a tax liability. If there are credits for more than one year  
23 that are available to offset the liability, the earlier credit  
24 shall be applied first.

25 (d) This Section is exempt from the provisions of Section

1     250.

2           Section 15. The State Finance Act is amended by adding  
3     Section 5.1012 as follows:

4           (30 ILCS 105/5.1012 new)

5           Sec. 5.1012. The Invest in Illinois Higher Education Fund.

6           Section 99. Effective date. This Act takes effect upon  
7     becoming law.